



“STUDY ON CONSUMER DEMAND, FEASIBLE ECONOMIC OPPORTUNITIES AND RELATED TRAINING NEEDS OF YOUNG PEOPLE IN CHITUNGWIZA, GOKWE SOUTH, MARONDERA, MT DARWIN, MUTOKO AND NORTON IN ZIMBABWE”

EXECUTIVE SUMMARY

Table of Contents

EXECUTIVE SUMMARY	2
BACKGROUND	2
Terms of Reference	2
Methodology	2
Brief Overview of the National Context: Development and Youth Unemployment in Zimbabwe	3
Overall Findings.....	5
Consumer Demand Survey Results	5
Market Opportunities Survey Results	5
PROGRAM AREAS.....	8
CHITUNGWIZA	9
GOKWE SOUTH.....	11
MARONDERA	13
MOUNT DARWIN	15
MUTOKO	17
NORTON	19
CONCLUSION AND RECOMMENDATIONS.....	21

EXECUTIVE SUMMARY

BACKGROUND

Terms of Reference

In November 2010, ILO commissioned a study on consumer demand, feasible economic opportunities and related training needs of young people in program areas in Zimbabwe, particularly Mt. Darwin, Mutoko, Gokwe South, Marondera, Norton and Chitungwiza. This study is part of the ILO program on “Skills for Youth Employment and Rural Development”, and has one of its objectives the promotion of enhanced employment and income generating opportunities through skills development initiatives. Based on ILO’s Training for Rural Economic Empowerment¹ (TREE) methodology, this study investigated consumer demand and market economic opportunities for rural and peri-urban communities as well as explored feasible new economic opportunities that the youths could exploit in support of local economic development, employment generation and sustainable livelihoods. Its findings informed the recommendations on viable economic opportunities and proposed strategies for addressing market constraints and skills gaps. It also highlights economic activities that are feasible and have potential for sustainable growth and broad reach among the youth.

The Terms of Reference (ToRs) clearly stated the objectives of the study, which included undertaking a study in the selected program areas and identifying feasible local economic opportunities by conducting consumer demand survey (CDS) and a market opportunity survey (MOS) in the selected program areas. The market information emerging from the surveys had to shed light on potentially profitable businesses and self-employment opportunities for the target group as well as provide a picture of training needs of the youth against the feasible economic opportunities. This assignment was designed and implemented to meet the requirements laid out in the ToRs.

Therefore, this report draws conclusions on about the findings of the studies (CDS and MOS) and makes recommendations on economic/market and employment opportunities, and mechanisms for empowering youth to support local economic development.

Methodology

The study was informed by the ILO TREE approach and methodology which systematically identifies economic/market opportunities and training needs with the objective of ensuring that skills training and development match market demands and lead to identifiable business opportunities for the target groups. It recognizes that information about local and national markets is imperative, and hence the need to collect market information that will assist in addressing the constraints faced by the rural poor, whether related to access to education, relevant vocational and technical skills training, and/or capacity to respond effectively to market demand. In line with the key elements of the TREE approach, this study adapted the TREE methodology instruments (the Consumer Demand Survey and Market Opportunity Survey) to the local situation. Training needs assessment was based on qualitative interviews with traders, producers, and local actors including government authorities and non-state actors. The content of questions in the data collection instruments was designed to elicit responses that would assist in the

¹TREE is a “methodology for promoting the economic empowerment of the rural poor” (ILO 2009:20) by building their capacities to exercise control over their lives as well as creating new economic and employment opportunities. Ref: ILO (2009) *Rural Skills Training: A Generic Manual on Training for Rural Economic Empowerment (TREE)*, International Labour Office: Geneva

²The guidelines on the use of the CDS state that “to get a representative view of local demand, a reasonable

identification of consumer demand (unsatisfied demand) and market/economic and employment opportunities within the local economic context. Local community members (24) were selected from the Local TREE Implementation Committees and trained in survey methodology, and served as research assistants.

Consumer Demand Survey (CDS)

The CDS focused on collecting information about specific products which local consumers need or would like but not necessarily available locally. The questionnaire asked for information about unsatisfied demand for products (goods and services) which are for family/household use, and the interviewees had to state the reasons for consumer dissatisfaction in terms of insufficient supply, low quality, inappropriate design/style, and/or some other reason. The analysis of the CDS showed the different levels of unsatisfied demand and the reasons for dissatisfaction. The findings are presented for each program area. A standard CDS questionnaire was administered to randomly selected households in the program areas as well as to individuals randomly identified at the marketplace. The average number of interviews sampled to participate in the survey per program area was 35 interviewees. The interviewees were not from a single household. The number of interviewees per program area exceeded the 30 households², suggested in the TREE methodology for practical purposes.

Market Opportunities Survey (MOS)

The MOS was designed to collect information on the situations of producers and traders of particular goods and services, and highlight reasons why producers and traders do not/cannot adequately supply the consumers in the area/community as well as producers' interest or lack thereof in expanding/improving production. The MOS for producers also required information on sources of technical and financial (credit) support. However, the MOS for traders required information on the traders' reasons mediating their ability to supply the consumers in the community, solutions they think can be considered to satisfy consumer demand, and suggested employment opportunities in the community. Individual interviews with selected interviewees (producers and traders) knowledgeable about the enterprise were conducted.

Brief Overview of the National Context: Development and Youth Unemployment in Zimbabwe

The challenges of youth unemployment in Africa have been noted by the African Commission Report of 2009, and it recognizes the need to create jobs and economic opportunities for the youth. Among other efforts to promote the development agenda, youth-oriented initiatives in underserved rural communities and local economies would address the identified needs of the youth in Zimbabwe. In southern Africa, Zimbabwe has the highest rate of unemployment. (ILO Global Employment Trends 2011), and the national unemployment rate is estimated to range between 60- 85%. For the youth, the problem of unemployment is compounded by skills mismatch between industry requirements and what the youth possess, the slow growth of the economy, and limited access to capital, negative perception of youth

²The guidelines on the use of the CDS state that "to get a representative view of local demand, a reasonable number of the consumers will have to be interviewed: for practical purposes, 30 households are suggested" (ILO 2009:80).

by employers³ (ILO 2010). In addition, Zimbabwe experienced a period of economic crisis between 1997 and 2008, which was characterized by hyperinflation, negative GDP growth rate, low productive capacity, deindustrialization, food shortages, poverty, and serious decline in human development conditions of Zimbabweans as measured by the Human Development Index. The economic decline affected other spheres of social life and had a negative impact on long-term growth and sustainable poverty reduction efforts, and thus broadened the 'bottom of the economic pyramid'. Under these conditions, the urgency of addressing industrial and agricultural production, food security, unemployment, poverty and underdevelopment cannot be overstated. With the emergence of the inclusive government through the signing of the Global Political Agreement (GPA), economic restoration became one of the key government priorities under the Short Term Emergency Recovery Program (STERP) and the question of job creation and employment opportunities for the youth identified in addition to promoting small and medium enterprises (SMEs) and consolidating indigenization of the economy.

The government's Mid Term Plan 2010 – 2015 (MTP), a successor to STERP, recognizes the importance of vibrant market and private driven economy as well as the challenges posed by youth unemployment⁴, limited access to finance, underdeveloped infrastructure, and a wide array of socio-economic problems. In view of the challenge of youth unemployment, the development of youth through empowering interventions/initiatives and enabling conditions and policy framework is imperative. Hence, the Government of Zimbabwe has various instruments to promote youth development and empowerment, which include being signatory to the African Youth Charter, the National Youth Policy, the Zimbabwe Youth Council through the Zimbabwe Youth Council Act, Zimbabwe National Employment Policy Framework, Zimbabwe Youth Empowerment Network, National Skills Development Framework, and the Micro, Small and Medium Enterprise Policy and Strategy Framework, and the Indigenization and Economic Empowerment Act. These provisions create opportunities for the youth and rural communities, and open up avenues for bringing in development to their communities. Hence, economic opportunities with potential for income generation, entrepreneurship, and employment creation contribute to local economic development and the achievement of Millennium Development Goals while bringing the youth into the center of socio-economic development.

It is within this background that the objectives of this study are premised, and hence the need to establish and understand consumer demand, feasible economic opportunities and related training needs of young people in six districts of Zimbabwe-Chitungwiza, Gokwe South, Marondera, Mt Darwin, Mutoko and Norton. The CDS and MOS focused on identifying unsatisfied demand and market opportunities, link the skills and gaps in goods and services to market/economic opportunities for the youth. The study therefore spells out consumer demand/unmet market demand, new opportunities, and avenues for income earnings.

The report presents the results and makes recommendations for each program area.

³ILO (2010) "Value Chain Based Skills for Youth Employment and Rural Development Project Design" ECI Africa Report submitted to ILO

⁴The last credible data on youth unemployment is from the Labour Force Survey of 2004, which confirmed youth unemployment as one of the most formidable challenges facing Zimbabwe since the economy could only absorb approximately 10% of the school leavers per annum. Mambo, M (2010) "Situational Analysis and Institutional Mapping for Skills for Youth Employment and Rural Development in Zimbabwe", Report submitted to ILO.

Overall Findings

Consumer Demand Survey Results

The overall findings of the Consumer Demand Survey (CDS) show that low quality is a major cause of consumer dissatisfaction followed by lack of supply. The price and design/style of products scored lower counts. However, the reasons for of consumer dissatisfaction with processed foods, garments, personal wear, hygiene products, kitchen tools/equipment, furniture products, and services were significantly different across the six program areas. In addition, the reasons of consumer dissatisfaction were also varied across the other dimensions (i.e., crop production, poultry raising, handicraft making, and micro-production activities). These results emerged from crosstabs and Chi-square test of association. The hypothesis tested was whether there was an association/relationship between sites (districts) and reasons stated for unsatisfied demand for products using Chi-square's contingency coefficient, i.e., does the unsatisfied demand given depend on site.

Given that Zimbabwe had emerged from the recent economic crisis characterized by scarcity of products, and demand outstripped supply, it is possible that the respondents' answers reflected their experiences during the crisis. In addition, the influx of cheap imported products, often deemed of inferior quality, potentially influenced the responses on quality. However, household consumptive use products (e.g., bread, flour, cooking oil) scored highly on low quality and lack of supply. Overall, pricing was not a major reason for consumer dissatisfaction, and this could be attributed to stable prices of products within the market and the positive effects of the stabilization of the economy as well as availability of cheaper alternatives.

Market Opportunities Survey Results

The overall findings of the Market Opportunities Survey overwhelmingly indicate that both producers and traders were not satisfying the demand of local consumers in all the six program areas. The frequency percentage of respondents indicating inability to satisfy demand ranged from 79% to 100%. Both producers and traders attributed unsatisfied demand largely to quantity asked and product quality lower than what customers want. Pricing and design/style inappropriateness scored lower than quantity asked and quality as reasons for unsatisfied demand. The reasons for inability to satisfy demand were mainly lack of finance, lack of raw materials, unavailability of stock, and relatively obsolete technology and implements among producers. In contrast, traders attributed lack of finance, unavailability of required stock from the source, and difficulties in transporting products as the main reasons for their inability to satisfy demand.

Producers

The majority of producers (mean of 93.6%) expressed willingness to expand/improve production across the six program areas and only a minority (mean of 6.3%) were not interested in expanding production. Among those willing to expand/improve production, the majority (mean of 56% of respondents across the six program areas) indicated a production increase of 51-100% whereas 31% of the respondents would increase their production by fewer than 50%. Therefore, these results reflect pragmatism in expanding/improving production recognizing the limitations in financing and sourcing production inputs. The respondents pointed out sourcing working capital and raw materials, upgrading tools/equipment (including better production technology), employing more workers, and expanding market

base/geographical reach as key actions they would take in ensuring success in expanding production. Based on crosstabs procedure or tests and measures of association (the Chi-square's contingency coefficient⁵), the findings on market opportunities for producers (indicate that the following:

Table 1: Market Opportunities for Producers

Chi-square test between sites and ...	Counts (n)	Contingency coefficient	Significance value (p value)	Interpretation
Unsatisfied Demand	189	.235	.045	There is evidence (p=0.045) at 5% significance level that unsatisfied demand of local consumers is site dependent. Therefore, unsatisfied demand is significantly different (in terms of quantity, quality, design/style, and price) across the six districts
Production Expansion Potential	190	.189	.219	No evidence exists for a relationship (p=0.219) at 5% significance level between districts & production expansion potential. Therefore, production expansion potential is not significantly different across the 6 districts.
% Increase if Production Expanded	184	.416	.000	Evidence exists for association (p=0.000) at 5% significance level between districts & % increase if production expanded. Therefore, percentage production increase is dependent on the district and it will not be uniform across the 6 districts.
Need for More Workers	191	.524	.000	There is evidence (p=0.000) at 5% significance level that the need for more workers is dependent on district. Therefore, the need for more workers will be significantly different across the six districts.

⁵Contingency coefficient is a measure of association based on chi-square for nominal data. The value ranges between 0 and 1, with 0 indicating no association between the row and column variables, and values close to 1 indicating a high degree of association between the variables. The alpha or significance level is 5%. The association/relationship is significant if the 'significance' level (given in output as *Approx.sig.*) is less than α .

Finance Sources	192	.299	.002	<p>There is a significant relationship ($p=0.002$) at 5% significance level between sources of finance and districts.</p> <p>Therefore, producers in districts may have similar trends in finance sources but there are differences in the accessing finance sources.</p>
Other Producers	194	.268	.010	<p>There is a significant relationship ($p=0.010$) at 5% significance level between availability of other producers and districts.</p> <p>Therefore, other producers exist in the areas although the producers of different products are significantly different across the six districts.</p>

Traders

The findings of the market opportunities survey indicated that the traders were unable to satisfy demand due to financial constraints in sourcing the required stocks. In addition, there were not enough stocks available since some sources were unable to supply quantities ordered and of high quality. Others traders expressed that the purchase costs from suppliers were high, and they experienced challenges in transporting the products from suppliers (source) to their trading centres. Consequently, the traders were unable to satisfy demand of local consumers, and hence quantity asked and quality of products perceived to be lower than what the customers want as the main reasons for consumer dissatisfaction. The majority of the traders sourced their products from nearby towns/provincial capital and local economic actors (wholesalers, retailers and producers). In some instances, they sourced from the national capital city. However, regional trading centres were marginally utilized, and this possibly highlights the lack of vibrant regional trading centres or poor market linkages. Consequently, the traders depend largely on local sources and the national capital for provision of required stocks, and the further the distance to source increases the cost of transport and ultimately the mark-up on the product. Consequently, the price of the product increase so are the challenges of transporting products, particularly perishable ones and those in high demand. This affects the ability of traders to meet the quantities required and ensuring availability of products at the right time. In view of these challenges, the traders suggested increasing local production of required products and solving production challenges.

The Chi-square test analysis of MOS (Table 2 below) highlights the following:

Table 2: MOS for Traders

Chi-square test of association between sites (districts) and	Counts (n)	Contingency coefficient	Significance value (p value)	Interpretation
Unsatisfied demand	113	.253	.171	No evidence exists for a relationship (p=0.171) at 5% significance level between unsatisfied demand of local consumers and districts. Therefore, unsatisfied demand of local consumers has no similar trend in all the 6 districts.
Sources (suppliers) of products	135	.431	.001	There is evidence (p=0.001) at 5% significance level that suppliers/sources of products are related to districts. Therefore, districts have different suppliers of products.

The traders overwhelmingly indicated that local producers have to improve their production through use of improved technology (better tools, production technology), employing additional and more skilled workers, and ensuring availability of raw materials or production inputs. Therefore, the availability of unused/abundant raw materials in the six districts provides opportunities for new economic/business opportunities and the development of products dependent on those raw materials. Interestingly, the majority of traders viewed consumer demand and availability of inputs and raw materials as opportunities for creating new products or business ventures that are profitable, and hence encouraged producers to improve/expand local production activities.

In the next sections, we present the findings and make recommendations based on each program area (district).

PROGRAM AREAS

The findings below shed light on the local economic development context of each program area, and highlight the respondents' views on consumer demand, market/economic opportunities, and possible impact on youth empowerment.

CHITUNGWIZA

Brief Context

Chitungwiza is the largest peri-urban township in Zimbabwe, located about 30 km from Harare, and housing approximately 500 000 people. It is relatively a non agricultural community, however, with small scale agricultural production taking place, albeit mostly on a non commercial basis. Other agricultural activities such as poultry breeding may be done on a commercial basis, but small scale. Non agricultural activities include retail at flea markets, tuck shops, welding, car services, hairdressing and various small scale retail outlets. The manufacturing base is relatively low, concurrent with the national trends in the industry. Poverty levels are amongst the highest in the nation, especially with dwindling employment rates, where a majority depended on getting employment in the nearby Harare.

Consumer Demand and Market Opportunities

There are various avenues for growth in Chitungwiza in both the trading or retail sector and manufacturing or production sector. Given the unsatisfied demand and availability abundant resources (raw materials and services) there are potential market and economic opportunities, for example;

- Poor quality and lack of supply in welding, carpentry and building services coupled with the abundance of raw materials like timber, wood and special boards creates potential market opportunities in welding industry, building and construction, and, carpentry.
- Other opportunities which exist are stock feed production to satisfy demand of poultry feeds, poultry and piggery production to satisfy the high demand of chicken, pork and meat products.
- Additionally leather manufacturing eases the unsatisfied demand in clothing and garment industries.
- In line with the abundant raw materials and gaps in services Chitungwiza has other vast potential market opportunities in small scale manufacturing industries, these include candle making, brooms manufacturing, gel stove manufacturing, plastic recycling and groundnuts processing. The Table 3 below is a summation of key market opportunities, and also provides the skills and the capital injection that may be necessary.

Table 3: Chitungwiza Market Opportunities and Key Issues

Goods/ Service	Reasons for unsatisfied demand	Proposed Economic Activity	Skills/ Services to address unsatisfied demand	Location/ Site Recommended	Capital Requirements	Youth Reach
Welding	Poor quality, Lack of supply	Broom and Mops Manufacturing	Welders, joiners, Management and quality training	Kandava Business Centre	Hammers and welding machines	Medium
Construction and Building	Poor quality, lack of supply	Compression Brick Molding	Compression Brick Molding, Management and Quality training	Charakupa, Kandava, Mushangwe Business Centre's	Shovels, picks, brick furnace	High
Household furniture	Low Quality, inappropriate design and lack of supply	Furniture Manufacturing	Carpentry, Management and Quality training	Kandava Village	Woods, hammers, saws, carpentry tools	Low
Clothes, and leather items(shoes, belts)	Poor quality, inappropriate design	Leather Products and Accessories Manufacturing	Folding; Cutting; Stitching; Shoe Lusting , Management and Quality training	Makoni Business Centre	Leather, glues, threads, sewing machines, grinders	Low
Pork- meat products	Lack of supply, Pricing	Piggery Project	Animal Husbandry, Bookkeeping	Zinyange Village Tswatswa Village	Pigs, Feeds, vaccines	Medium
Agriculture inputs- chicken mash production	Lack of supply, Poor Quality	Stock feed production	Feed producers, quality training		Sunflowers grinders	High
Chicken – meat products	Lack of supply, Pricing	Poultry Production	Poultry Production , Bookkeeping	Mubobo Village	Chicks, stock feeds, vaccines	High

GOKWE SOUTH

Brief Context

Gokwe South is an agro based community; one of the largest districts located North West of Zimbabwe, about 300km from Harare. It enjoys a population of plus 300 000 people. It is also one of Zimbabwe's poorest areas, experiences moderate levels of rainfall and lies in a semi-arid agro ecological zone. The community is predominantly agro based, farming mainly cotton. It also houses the Mapfungautsi plateau, Gokwe Centre and Sengwa mine. Livelihoods are primarily agricultural, centred on growing maize for food and sorghum and cotton for cash. Cash crop sales provide a key income source for the majority of households and recent years have seen an increased area of cotton grown, at the expense of staple food crops. Other sources of income generating activities include local employment, gold panning and handicraft sales and the low income earners get income came from the sale of vegetables such as rape and tomatoes, seasonal agricultural work, house building, thatching and cutting grass. The demand is primarily concentrated on buying food and other basic amenities, with minute buying of luxury goods.

Consumer Demand and Market Opportunities

Gokwe is an agro based community with abundant agricultural opportunities and raw materials like cotton, maize, sunflower, jatropa, indigenous trees and vegetables.

- This opens up market opportunities in activities such as;- cotton and maize farming, market gardening, Bio diesel extraction from jatropa, furniture and honey production ,and cooking oil production from sunflowers or ground nuts.
- Other potential market activities to satisfy demand in areas where there is low supply include poultry and piggery production, retail for groceries, hair dressing services and electrical and cell phone repairs. There is relatively under supply in the above activities, leaving room for market expansion. The Table 4 below offers a summary of the key opportunities, areas of location and the skills and capital requirements for them.

Table 4: Gokwe Market Opportunities and Key Issues

Goods/ Service	Reasons for unsatisfied demand	Proposed Economic Activity	Skills/ Services to address unsatisfied demand	Location/ Site Recommended	Capital Requirements	Youth Reach
Food products(- Mealie meal , cotton, and honey)	Poor quality, Lack of supply	Cotton and Maize Crop Farming and Processing Bee keeping and honey production	Field workers, Beekeepers	Muzarabani, Manoti for bee keeping	Maize, cotton	High
Clothes, garments and accessories (retail)	Poor Quality, Lack of supply	Flea Market (Buying and Selling Of Clothes and Footwear)	Marketing , managing and procurement	Open Air Chitekete	Finance	High
Food products- pork meat	Lack of supply	Intensive Piggery and Pork Production and Processing	Piggery Farming and Production, Management	Njerera Agro Plots	Piglets, feeds, vaccines and dip chemicals	Medium
Bio diesel	Lack of supply	Jatropha Processing	Jatropha processing, Marketing	Ngoma; Sadame 2; Gomba	Extractors, seeds, land	Medium
Vegetables	Lack of supply	Market Gardening	Horticulture and Marketing	Mapfumo Shops	Pesticides, Seeds, Gardening tools- hoes, sprayers, cans, forks, wheelbarrows, etc.	High
Cooking oil	Lack of Supply, Poor quality	Groundnuts and Sunflower processing	Processors and Marketers	Gawa; Nyaradza; Mateta; Dzvuke	Seeds, processors, groundnut peelers	Medium
Household furniture	Poor quality, Lack of supply	Furniture production	Carpentry	Gokwe	Wood, hammers, saw glues	Low

MARONDERA

Brief Context

Marondera is a small town located about 70km east of Harare in Mashonaland East province. It is an agro based community farming all kinds of crops ranging from tobacco, maize, beef, horticulture and even livestock production, albeit at both a commercial and subsistence scale. Though it has some middle income it consists mainly of people with little disposable income and low income earners. The relative proximity of Harare means that the capital city is a magnet for migration work, and also because of its town status the level of income is probably higher than those in rural areas. Cash crops including cotton, paprika, tobacco, maize and garden vegetables are major income generators but poorer households often have no surplus and rely on casual and seasonal work on the farms or menial jobs such as house maids in the affluent' households. The proximity to Harare and town status also implies a sizeable youth migration escapes the rural livelihoods to try and find employment in the city or town and flee from an agro based livelihood.

Consumer Demand and Market Opportunities

Marondera is predominantly an agro based district offering agro processing and manufacturing opportunities and its proximity to Harare also increases its market base. The abundant resources include wood, timber, reeds, fertile land and beehives.

- Potential new opportunities utilising the above resources include; furniture manufacturing, wood carving, potato farming and honey production.
- Additionally, due to the unsatisfied demand for food products there are opportunities in poultry and piggery production. In terms of services lack of supply has been cited for a variety of products like retail services opening up opportunities for hardware (agriculture inputs trade), electrical repairs, dressmaking and salon services. The Table below is a summation of key market opportunities for Marondera.

Table 5: Marondera Market Opportunities and Key Issues

Goods/ Service	Reasons for unsatisfied demand	Proposed Economic Activity	Skills/ Services to address unsatisfied demand	Location/ Site Recommended	Capital Requirements	Youth Reach
Farm equipment, agro inputs retail	Lack of supply, Low Quality	Hardware Retailing	Management , Procurement, Accounting	Mahusekwa; Landos; Chiriseri	Finance to procure materials	Low
Household furniture including reeds manufactured.	Lack of supply, and Low Quality	Household Furniture Manufacturing	Carpentry and Joinery Upholstery ; Painting	Mahusekwa Growth Point	Timber; Reeds .Boards Glue; Vanish; Paint; Cloth Material, Carpentry tools	Low
Meat products-pork	Lack of supply	Piggery production	Brooders	Chiriseri	Piglets, Maize Meal; Soya Beans; Pig Concentrate	High
Potatoes-Food Products	Lack of Supply	Potato Farming	Potato Production	Plots Adjacent To Marondera-Mahusekwa Road	Fertilizer; Pesticides; Potato Tubers, Ox-Drawn Plough; Harrow; Hoes; Watering Cans	High
Tailoring services-clothes and garments	Lack of supply, Inappropriate designs	School Of Dress Making	Tailoring, Cutting and Designing	Mahusekwa Growth Point	Fabric; Sewing Needles; Sewing Machines	Medium
Handicrafts, artifacts, pottery	Lack of supply	Wood Carving and Handicrafts	Smoothers ; Book Keeper	Growth Points; City Centre's; Art Gallery Out Of Zimbabwe	Axe; Hacksaw; Jack Plane; Chisel	High

MOUNT DARWIN

Brief Context

Mount Darwin is located in Mashonaland Central, and lies 156km north of Harare. It is an agro based community, whose main activities include maize farming and livestock production, albeit on a subsistence level. The main food crops grown are small grains including sorghum and millet (both finger and pearl). In addition, some limited maize is grown although it does not do well in this relatively dry zone. Mount Darwin is a rural community characterized by low income earnings and low industrial levels. The rate of unemployment in rural areas in Zimbabwe is relatively higher than that in urban areas because of lack of diversification in both agricultural and manufacturing activities on a formal and informal level. The rate of dropping out of schools is also higher, implying a high unskilled youth population who find themselves impoverished. Employment and sales of cash crops stand out as the two main cash income sources in the zone. Poorer households do local piece work for better off neighbors or find casual work on nearby commercial farms. This work is supplemented by income from occasional chicken sales, brewing beer, selling firewood, making bricks, and selling wild foods. For primarily, a low income community, similar to other districts discussed demand is concentrated towards basic food stuff and basic services.

Consumer Demand and Market Opportunities

Mount Darwin provides a combination of mineral-based and agro-based opportunities, particularly black granite, gold ore, reeds, maize, ground nuts, timber, livestock, maize, honey, soya beans and land. These resources can be leveraged for economic development and empowerment of the youth.

- The unsatisfied demand due to low quality and lack of quality for processed goods like mealie meal, cooking oil and meat, opens up market opportunities in the mealie meal production, soya beans and sunflower processing, and poultry production and day old chicks' production.
- The abundance of reeds, timber and metal is also a solution towards lack of supply and poor quality in the household furniture and welding industries, which become potential avenues of market expansion.
- Other potentially beneficial market activities include; Information and Technology Centre, Dressmaking services, Hairdressing services and Accommodation services due to the lack of supply in these services. The Table 6 below is a summary of the significant market opportunities and related information.

Table 6: Mount Darwin Market Opportunities and Key Issues

Goods/ Service	Reasons for unsatisfied demand	Proposed Economic Activity	Skills/ Services to address unsatisfied demand	Location/ Site Recommended	Capital Requirements	Youth Reach
Mealie meal	Low quality, lack of supply	Mealie meal production	Post-Harvest Technology, Grinding	Kandeya Village	Grinding mill, packaging materials, maize, sorghum and millet	High
Internet and computer services	Lack of Supply	Information and Communication Technology Centre/College	Computer Science	Mount Darwin Township	Computers, printers, servers, routers and modems	Low
Cooking oil	Lack of supply	Soya Beans and Sunflower Processing, and Groundnut processing	Business Planning and Management , Vegetable Oil Production Quality	Amanda (B)	Soya beans, Sunflowers, pressers, groundnuts	High
Household furniture, and timber	Low quality, and inappropriate design	Timber Processing Utilizing The Dande Range Of Timber	Carpentry	Dande Valley	Tree cutting machines, axes, hacksaws	Low
Agriculture, carpentry and welding tools and equipment	Lack of Supply and Low Quality	Tools/Equipment Manufacturing	Welding	Mukumbura Boarder Post	Metal sheets, gas , steel bars, and welding rods	Medium
Meat products-chicken	Lack of Supply	Poultry Production and day old chicks production	Poultry breeders	Pfura Location	Chickens, poultry feed, poultry houses and feeding tools	High

MUTOKO

Brief Context

Mutoko is a small town, 160 km east of Harare, located in Mashonaland province. It's estimated to have a resident population of over 100 000 people. It is in the Middle veld region, and experiences occasional droughts; and is therefore fit for drought resistant agriculture like millet farming but maize and horticulture farming is also possible. However, it is one of the largest sources of granite in the country, and the recent growth in the construction industry paves a way for growth of this industry. The sale of cash crops such as soya beans, cotton, tobacco and some paprika as well as the sale of maize is the main source of income for richer households. However, most who are in the low income earners bracket rely heavily on casual labor for their cash income, as they work on nearby commercial farms and do small jobs in towns (for example as domestics or on construction sites). Gold panning and remittances from relatives in town are additional income sources.

Consumer Demand and Market Opportunities

Mutoko is also endowed with agricultural and mineral resources, which provide for local economic development. Its resource base consists of granite, clay, gold mines, jatropha, soap stone, sunflower, trees, fruits and vegetables.

- There is unsatisfied demand for processed food like bread and cooking oil due to quality and supply constraints. Other areas of unsatisfied demand include; furniture making and carpentry services, appliance repairs, and clothing and garment retail services.
- The survey identified the following potential areas as potentially beneficial and of competitive advantage. These are; bakery or bread making to deal with bread supply issues, cooking oil production from sunflowers and ground nuts, poultry production, fruit and juice production.
- Other services and products in areas of market and economic expansion include; stone cutting and making of sculptures, furniture making from the reeds and wood, tinssmithing, honey production, and appliance repairs. The Table 7 is a summary of some of the vital market opportunities, relevant skills and capital necessary.

Table 7: Mutoko Market Opportunities and Key Issues

Goods/ Service	Reasons for unsatisfied demand	Proposed Economic Activity	Skills/ Services to address unsatisfied demand	Location/ Site Recommended	Capital Requirements	Youth Reach
Food products- Bread and pastries	Low quality and Lack of supply	Bakery/ Confectionery	Bookkeeping; Marketing, Baking	Rukau Secondary School	Bakery equipment, ovens, trays flour, yeast and baking ingredients	Medium
Honey- Food products	Lack of supply	Beekeeping and Honey Production	Beekeeping and Honey Processing, Packaging and Marketing	Nyadire; Mutambwe	Beehives, bottles, logs, packaging and labeling materials	High
Fruits (fresh and processed) Food products	Lack of supply	Fruit production, canning and juice extraction, eg mangoes	Micro Post Harvest Technology	Rutsito Business Centre	Fruits, cans, sealers, packaging and labeling materials	High
Tiles, sculptures, tombstones and visual artifacts	Lack of supply	Granite Stone Cutting and Polishing and Soapstone Sculpturing	Stone Cutting; Stone Polishing, Stone Writing, Stone grading, Cutting and Shaping	Lot Business Centre and Village 2	Chisels, grinders, sand paper, granite, soapstone, hammers, vanish	Medium
Meat products- chicken, eggs and pork	Low quality and Lack of supply	Pig and Poultry Farming	Pig and Poultry Farming Bookkeeping; Marketing, Veterinary Services,	All Souls Mission (Mutoko)	Piglets, Maize Meal; Soya Beans; Pig Concentrate	Medium
Kitchenware and household utensils	Low quality and Lack of supply	Tinsmithing/ Kitchenware Production	Tin Cutting and Shaping	Rukau Township	Sheet, metal steel, tin, shapers and cutters	Medium

NORTON

Brief Context

Norton is a small town located about 30 km west of Harare, whose economy combines an agriculture and industrial base. It is estimated to house about 50 000 people. In terms of agriculture, crops like tobacco, wheat, dairy and horticulture flourish at both a commercial and subsistence level. Also because of its proximity to Harare, there is relative rural to peri-urban migration, especially amongst the youth who come to seek greener pastures.

Consumer Demand and Market Opportunities

Norton is an active agriculture and industrial based community, whose proximity to Harare provides additional market opportunities in both sectors. It has abundant resources such as cattle, fish, land, maize, sunflower, wheat, steel, timber, clay fields and a variety of services.

- The low quality and lack of supply in the food industry opens up market opportunities for bakeries and baking services, cooking oil production, beef and dairy production, poultry and piggery production and fish farming.
- The increase in the building and construction industry in both Norton and Harare also provides expansion opportunities for brick molding, tile making, and household furniture making.
- Other avenues for market and economic expansion, includes; electrical appliance and cell phone repairs, and internet and typing services. The Table 8 below shows the key market opportunities and related information.

Table 8: Norton Market Opportunities and Key Issues

Goods/ Service	Reasons for unsatisfied demand	Proposed Economic Activity	Skills/ Services to address unsatisfied demand	Location/ Site Recommended	Capital Requirements	Youth Reach
Food products- bread	Low quality, lack of supply	Bakery and Confectionary	Baking skills, Confectionary production skills	Govans; Katanga Shopping Centre's	Baking ovens, tools, flour and ingredients	Medium
Bricks, Dura walling , tiles	Lack of Supply	Compression Brick and Tile Molding	Builders	Katanga Home Industries and Farms Surrounding Norton	Tile molding machines, pit sands, pikes, shovels, wheel barrows, brick molding machines	High
Food- meat products; beef, milk	Lack of supply	Beef and Dairy Production	Veterinary services, Beef and dairy production and feeding skills, Quality and standards	Zima	Cattle, Milking machines, storage facilities, stock feeds, vaccines	Medium
Retail- electrical goods	Low quality, and inappropriate design	Electrical Appliance Maintenance and Repairs	Electricians, technicians, sales and marketing	Katanga	Finance to procure electrical	Low
Food products- Fish	Lack of Supply and Low Quality	Fish Farming and Processing	Fisherman, fish farmers, marketers, packaging and labeling	Knowe, Katanga; Ngoni; Johannesburg	Fishing nets, hooks, boats, fish feed, water bodies, lakes and dams	Medium
Food products- Pork	Lack of Supply	Intensive Piggery Production and Pork Processing	Breeders	Triple C (Norton)	Pig sty, feeds, supplements, vaccines	Medium

CONCLUSION AND RECOMMENDATIONS

The findings of the report clearly indicate that there are broad opportunities for youth empowerment and employment creation in the six districts participating in the TREE program in Zimbabwe. The development of market/economic opportunities and rural industries remains should be a part of broader strategy on promoting youth-oriented economic activities and improving the rural sector and living conditions of both rural and peri-urban communities in Zimbabwe. The availability of abundant/unused raw materials and natural resources also provides advantages for the development of rural industries in the areas of agriculture, mining, fisheries, and manufacturing as well as service sector. Developing small rural industries with the appropriate technology that can absorb the labour surplus in the rural areas has the potential to generate higher levels of employment opportunities and poverty alleviation among rural communities, and hence should be an integral part of local and national economic development strategies. The findings of the study also highlight the importance of the structural transformation of rural industrial ideology and rural growth points to enable the development of rural entrepreneurs and growth of modern rural small scale enterprises/industries capable of leveraging local economic opportunities and abundant local resources (raw materials, human and natural assets).

However, the expansion of rural industries/enterprises and success of new economic activities in rural areas face immense challenges due to limited vertical and horizontal linkages between small rural industries/enterprises and large industries/private sector investors, and hence rural businesses have not been able to derive maximum value and benefits. Consequently, there have been limited benefits trickling down to the rural economy. In addition, the findings of study also shed light on the wide prevalence of consumer dissatisfaction with low quality of products. However, such unsatisfied demand (low quality) can be attributed to negative consequences of liberalization (globalization), which has enabled Chinese goods to be dumped into the developing countries like Zimbabwe. The dumping of low quality goods (also lowly priced) in the country, with very limited capacity to control qualitatively imported products, can have dire consequences for the development of the manufacturing sector and small industries in rural areas. Low quality emerged as the leading cause of consumer dissatisfaction in this study, and could be addressed by upgrading skills and improving quality assurance. While these solutions could address the challenge if the products are locally made and there is appreciation of improved quality, and dumping and demand of such low quality products is dealt with, those cheap imports will affect even high quality products produced by small industries in the country. The shift of demand sometimes from high quality local products to lowly priced (even low quality) imported products has the potential to undermine the growth and expansion of the emerging small sectors in the economy. Hence, policy objectives have to address these potential challenges and ensure that the development of youth-oriented enterprises and small industries in rural areas receive priority in Zimbabwe's development policy agenda. This may entail mitigating the drawbacks or negative effects of liberalization (globalization) and deliberately creating policy frameworks that provide preferential treatment and incentives for youth-oriented enterprises and private sector investors locating their investments and creating employment opportunities in rural areas or strengthening forward and backward linkages⁶ with rural industries/enterprise and youth-oriented businesses. We are

⁶ The findings of this study concur with the overall conclusions of the ECI Report on "Value Chain Based Skills for Youth Employment and Rural Development Project Design", which highlighted the importance of empowering the youth to take advantage of opportunities in the different value chains, either as producers, traders, employees or

not advocating for protectionism in its totality but rather the implementation of a favourable policy framework that nurtures the growth of rural enterprises and generation of new productive economic and employment opportunities in rural areas. The Indigenization and Economic Empowerment legislation could, if through the provision of guidelines, offer incentives to investors (local, national and international private sector) committed to developing rural industries and enterprises in the agro-sector, mining, and service sectors. Buttressed with a supportive industrial location policy which gives attractive incentives to investors in rural areas, these initiatives could have positive social and economic benefits for the country and enable the development of rural areas and growth points. Sometimes, investments could be directed through incentives to facilitate industrial diversification or location in rural areas. The availability of labour and raw materials could enable the industries to link with rural enterprises, and hence develop rural areas using rural resources. The findings of this study pointed the availability of abundant/unused resources, which offer opportunities for developing the rural socio-economic structure, creating new industries and developing interlinked enterprises (e.g., grower-industry-services).

The findings also highlighted concerns that producers and traders have regarding the difficulties in transporting inputs and stock given the distance travelled from the source. This challenge is linked to underdeveloped infrastructure facilities and transportation service in the rural economy, which poses challenges for the development of a vibrant rural industrial sector. Notwithstanding the financial constraints, the respondents attributed insufficient supply also to difficulties in transporting stock and inputs (including raw materials) as well as the distance travelled between the source and market. Hence, the increases in the cost of transport imply an increase in the price of the produced/traded product. It is imperative that infrastructure facilities and transport services are improved to facilitate supply of goods and raw materials, improved linkages, and strong integration between rural and urban areas through trade and value addition as well as moderate the cost of transport.

Based on the findings of the study, the following strategies (see Figure 1) are recommended:

consumers. In all the program areas studied during this assignment, employment generation, market/economic opportunities, access to technical skills and capacity building, and financial support emerged as key issues to be addressed in youth enterprise development and empowerment.

Fig 1: Recommended Strategies



- Identification and development of market/economic opportunities:** While the study identified possible new economic opportunities, feasibility studies are needed to determine economic opportunities linked to natural resources and businesses suggested in the survey.

- **Enabling policy environment:** There is need to engage stakeholders (government and non-state actors such as NGOs, private sectors, and communities) in the formulation and development of supportive policies and institutional arrangements/frameworks that create opportunities for youth enterprise development and empowerment as well as integrate them in the value chain.
- **Skills development and training:** Training and capacity strengthening that is linked to building and improving skills and technical competencies in related business and economic activities.
- **Technical and capacity support services:** Engaging relevant support institutions (e.g., vocational training, financial institutions, government agencies, local authorities, extension services, and NGOs, formal tertiary institutions) in the development of strategies and interventions that address skills and technical needs required in the economic activities. This entails the provision of appropriate technology, financing, technical backstopping, facilitation of vertical and horizontal linkages and economic opportunities, and development of innovative community-private-public partnerships.
- **Cross-cutting strategies:** Mainstreaming gender and HIV & AIDS, promoting stakeholder coordination (funding and support) and information sharing and dissemination, and capacity building.

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Research Team

Lead Consultant: Dr. Brian F. Maguranyanga (PhD, Michigan; MA, Wits; BSc (Hons) Sociology, UZ)

Research Associates

1. Caroline Mozheni (Ms). (B.Comm (Hons) Marketing Management, UZ; MBA, UK)
2. Kudzai Madzivanyika (Ms) (LLM, Pretoria; LLB (Hons) Law, Fort Hare)
3. Gerald Madzima (LLB (Hons) Law, UZ)
4. Mark Shumbamhini (B. Tech (Hons) International Marketing, CUT; AIOBZ).